

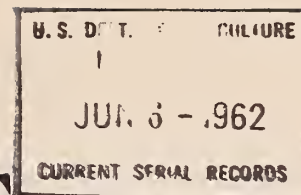
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FAMILY ECONOMICS REVIEW



**Consumer and Food Economics Research Division, Agricultural Research Service,
UNITED STATES DEPARTMENT OF AGRICULTURE**

Prepared for home demonstration agents and home economics specialists of the Agricultural Extension Service, this publication reports current developments in family and food economics, and economic aspects of home management.

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ESTIMATING NET INCOME OF WORKING WIVES

Many wives, at some time during their married lives, have the problem of deciding whether to hold a job as a paid worker outside the home in addition to their usual job as homemaker. Many considerations must enter into such a decision, including questions of the possible social, psychological, and economic effects on the family. An important economic consideration is how much farther ahead the family will be financially if the wife takes a job. As an employed woman she will have expenses she would not have as a housewife. How much of her earnings will these take? How much will she have left to add to the family purse?

A woman considering a job can get a fairly good idea of what her net income will amount to in a year by estimating her expenses for each of the items listed on page 4, and subtracting the total from her expected earnings. If she has not worked away from home recently she may be able to get help on some of these estimates from friends employed in the kind of job or establishment she expects to be in. They will know, for example, prices of special work clothing required for the job, the cost of dues to employee organizations, and the usual expense for gifts and flowers, parties, and meetings connected with the job. They can probably give her some idea also of the cost of various kinds of paid help she can use to relieve her of household tasks like caring for children, washing and ironing, sewing, and general housework, though she alone can decide how much more she will use such help when she is employed.

The prospective employee can figure some job-related expenses by using forms and information readily available to her. For example, she can use the regular income tax forms (Federal, and State and city where applicable) to calculate what income taxes will cost her. If her husband has a taxable income she can charge to her own employment the difference between what their taxes would be with her income and without it. If her job is covered by social security the social security tax will take (at present) 3-1/8 percent of her earnings if she receives a wage or salary, and 4.7 percent if she is self-employed. In either case, the maximum amount of income she must pay the social security tax on is \$4,800 a year.

Employed wives in four Georgia cities spent an average of about two-fifths of their earnings in 1957 for the items listed, according to a study done by the Consumer and Food Economics Research Division. ^{1/} Those who were mothers of preschool-age children had job-related expenses that took almost half of their income. The women in this study all had husbands with full-time jobs, and they themselves worked at least half time (1,000 hours or more) during the year. Gross earnings of the wives averaged \$2,200. The experience of these women would not necessarily apply to others, but it does give some idea what expenditures that go with job holding may do to the paycheck.

^{1/} Job-Related Expenditures and Management Practices of Gainfully Employed Wives in Four Georgia Cities, by Emma G. Holmes. Home Economics Research Report No. 15. USDA. (1962)

Worksheet for estimating wife's net income from employment

Gross income \$ _____

Expenses:

1. Income taxes (Federal, State, and local) \$ _____
2. Social security tax \$ _____
3. Contributions to other retirement plans \$ _____
4. Meals and snacks at work \$ _____
5. Transportation to and from work \$ _____
6. Transportation on job (not reimbursed) \$ _____
7. Special work clothing (including care) \$ _____
8. Dues to unions, professional and business
organizations, employee clubs, etc. \$ _____
9. Professional and business publications \$ _____
10. Professional and business meetings, conventions \$ _____
11. Educational expense related to employment \$ _____
12. Tools and licenses required for the job \$ _____
13. Gifts and flowers for fellow employees \$ _____
14. Parties, special meals with fellow employees \$ _____
15. Extra spent for general-wear clothing (including
care) \$ _____
16. Extra spent for personal care \$ _____
17. Extra spent for paid help for household tasks \$ _____
18. Other expenses for specific job \$ _____

Total \$ _____

Net income (gross income minus total expenses) \$ _____

The wife who wants to make a more complete appraisal of the effect of her gainful employment on the family pocketbook may want to consider the possibility of having additional expenses that aren't in the list on page 4. Because she has less time for homemaking, her family may eat more meals away from home (in addition to those at work); use more expensive foods for meals at home, if these take less time to prepare; send rugs and other furnishings out to be cleaned rather than doing them herself; buy more readymade clothing; and use other commercial goods and services which lighten the homemaking load but increase expenditures for living.

If expenses add up to a total that seems very large, the wife may still consider the job worthwhile for the financial help even a small net gain will give her family, or for the other advantages and satisfactions she hopes to get from doing it.

--Emma G. Holmes

NEW DEVELOPMENTS IN FUNCTIONAL CLOTHING FABRICS 1/

One of the newest developments in the clothing fabric field is the trend toward functional fabrics--those which are engineered to serve specific end uses. Some of the most noteworthy are the stretch fabrics and fibers; laminated coatings; minimum-care woolens; fusible interlinings; and nonwoven and paper textiles.

Knitted stretch fabrics are designed for action, so are suited to casual and sportswear where smooth fit needs to be combined with resilience, for safety and freedom of movement. These fabrics were developed in Europe for ski wear. Now they are used in slacks, swimwear, and other types of action clothes. Stretch fabrics are made of crimped or twisted yarns which are permanently elastic. These stretch yarns, in fine deniers, are used in two-way stretch hose, underwear, and creepers.

Woven stretch fabrics, made with stretch nylon yarns used in either the warp or the filling, are now in limited production. Denim, twill, shantung, and velveteen are among the woven stretch fabrics currently available in blends of nylon with cotton, rayon, and other manmade fibers. These materials are being promoted for casual and sportswear, and children's clothing.

Stretch yarns of cotton have been successfully used for some time in bandaging. The Southern Utilization Research and Development Laboratory of the U.S. Department of Agriculture, which worked on that problem, is now studying the development of stretch cotton yarns that can be used in clothing fabrics.

1/ Presented by Margaret Smith, Clothing and Housing Research Division, Agricultural Research Service, at the Agricultural Outlook Conference, Washington, D. C., November 1961.

The construction of clothing from stretch fabrics presents problems to both the home sewer and the garment manufacturer. Seams, hems, and other construction features obviously must have the same elasticity as the fabric, otherwise stitching will snap as the fabric gives. Relaxation shrinkage is another serious problem. Stretch fabrics, when released from the tension of a fabric bolt or roll, tend to draw up in the direction of the stretch. If this relaxation shrinkage takes place after rather than before the garment is cut, the change in size is considerable. When garments are to be made of these materials, the fabric should be allowed to relax at least 24 hours before cutting. Since this may not have been done in some readymade garments, it is wise to try on stretch garments before buying to be sure of proper fit, as the size labels may not indicate the true size.

A stretch fiber, spandex, has recently been developed to combine the elastic recovery properties of latex with the ability to be spun into much finer yarns than latex makes. At present, spandex is used primarily in lightweight but firm foundation garments.

The advent of foam-backed fabrics has resulted in the production of outerwear to provide the warmth of conventional wool fabrics with remarkable lightness of weight. Plastic foam is laminated by heat or adhesive to the back of knitted or woven fabrics of natural or synthetic fibers, imparting a firm, bulky feel as well as warmth to the material. Because some of the adhesives now in use are soluble in drycleaning fluids, information on the type of cleaning recommended should be obtained at time of purchase. According to the information now available from drycleaners, fabrics produced by the heat lamination process are not damaged by drycleaning.

Research on wash-wear or easy-care finishes continues. The development of a finish that makes wool fabrics dimensionally stable to washing is one of the newest achievements in the easy-care field. This finish was originated by the Western Utilization Research and Development Division of the USDA. It makes wool fabrics shrink resistant and crease and press retentive, without sacrificing the desirable qualities of wool, such as resilience and ability to be shaped by pressing. Some materials treated with this finish are easier to press than the same materials before treatment, and have lost none of their desirable tailoring qualities. This process, at present known as the IFP or interfacial polymerization process, is in limited commercial use at this time.

New manmade fibers continue to be developed for use in easy-care clothing fabrics but most of them are still in the experimental stage. For example, a new polyester fiber with stretch qualities resembling those of spandex has been developed, but is not yet generally available. Because most fabrics made of manmade fibers or blends are sensitive to heat, research on means of minimizing this problem is being conducted by industry. For example, a separate iron base which clips on over a steam or dry iron has been developed to make possible smooth ironing of these hard-to-press fabrics.

Nonwoven fabrics are finding new uses in apparel. Nonwovens of cotton or combinations of cotton with manmade fibers are used as linings or interfacings. Some of these are backed with an adhesive that fuses, with heat and pressure,

to an outer cloth. Adhesive backing is also being applied to lightweight woven cottons that are suitable for interfacings.

Paper textiles, some with a foundation or inner web of a manmade fiber, are more durable and stronger than the first papers used for disposable garments. These textiles are finding increased uses, particularly where, for sanitary or safety reasons, clothing must be disposed of after wearing.

FOOD DISTRIBUTION PROGRAMS OF THE DEPARTMENT OF AGRICULTURE 1/

The term "food distribution" in the U.S. Department of Agriculture has come to mean a series of interrelated action programs which are designed to improve national dietary levels and to expand current and future markets for food. These programs are the Plentiful Foods Program; National School Lunch Program; Special Milk Program; Direct Distribution Program; and Pilot Food Stamp Projects.

Plentiful Foods Program

The Department of Agriculture and the Extension Services of the various States have long undertaken, or cooperated in, programs to provide consumers with information on food supplies and prices. The Plentiful Foods Program of the Agricultural Marketing Service is a part of this undertaking. It is a direct outgrowth of a World War II effort to manage civilian food supplies by encouraging consumers to shift from rationed and other scarce foods to those in more abundant supply.

The specific purpose of the program is to increase the commercial marketing of foods that are in peak seasonal supply or are otherwise plentiful. It is built upon the principle that advertising pays. It attempts to accomplish its purpose by mobilizing, on a voluntary basis, the merchandising and informational resources of food trade and allied groups in support of the sales and promotion efforts of producer groups.

A great deal of emphasis is placed upon obtaining the cooperation of food retailers, food editors, and food and nutrition leaders who work directly with consumer groups. Retailers can do much to influence consumer choices through their advertising and in-store promotions. Food editors of newspapers, magazines, radio and television can do much to create interest in any particular foods. And there are numerous ways in which those who work directly with homemakers can tie into this effort.

1/ Condensed from a talk by Isabelle M. Kelley, Food Distribution Division, Agricultural Marketing Service, at the Agricultural Outlook Conference, Washington, D. C., November 1961, with brief additional material in the section on the food stamp program.

A continuing activity under this program is to provide information on foods in need of merchandising attention. Each month a national and five regional Plentiful Foods Lists are issued to cooperating trade and information groups. The public feeding industry--hotels, restaurants, industrial feeders--receives an especially adapted version of these lists. Special selections within the list are made for school lunch programs.

A great many people and agencies, both within and outside USDA, are involved in selecting the foods to be included in the lists, because we want them to be as reliable as possible. And we want to stay away from strictly luxury items. However, there is no precise line between luxury and nonluxury items. Because we are concerned with reaching all consumers, the list is not designed as a guide to the best buys, nutritionwise, for families with limited food budgets. This does not mean that the list can't be useful to those concerned with helping low-income families. Rather, it requires that they use it on a selective basis, taking into account their audience and market conditions in their own area.

National School Lunch Program

This activity, authorized by the National School Lunch Act of 1946, encompasses a broad program of assistance to participating schools. Each participating school agrees to serve a lunch meeting our Type A pattern. This lunch includes, as a minimum, a protein-rich food, a generous serving of fruits and vegetables, bread and butter or fortified margarine, and one-half pint of milk. Federally donated foods can be used to fulfill these requirements (we encourage schools to make maximum use of them), but only within the framework of that Type A pattern.

Most of the food used in the school lunch programs receiving Federal assistance are purchased by schools from local suppliers. For 1960-61 school year, the following summary shows the relative importance of locally purchased and Government-donated foods in the school lunch program:

Source of food:	<u>Value (\$ million)</u>
Local purchases	575.0
Financed by Federal funds	93.7
Financed by State and local funds	481.3
Government-donated	132.7
Purchased for the program	61.1
Obtained from other USDA supplies	71.6
Total	707.7

Here, as in other programs, we do not rely upon financial assistance alone to bring about an adequate program. Working with and through the educational agencies of the various States, which are responsible for the actual operation of the program on a grant-in-aid basis, we encourage and help in a

broad program of technical assistance to participating schools. This involves, among other things, the development and publication of food use and management materials and workshop training programs for local school lunch workers.

Currently the National School Lunch Program is in operation in some 64,000 schools, representing about two-thirds of our elementary and secondary school enrollment. On a typical day, about 13.5 million children eat the Type A lunch--about one-third of the children enrolled in schools.

Most of the schools which are not in the program are small elementary schools in relatively small population centers. Lack of food service facilities is a principal limiting factor. This also is true for the elementary schools in many cities where schools were developed on a neighborhood basis, with children going home for lunch. Some schools can and do operate a lunch program without Federal cash assistance.

We have become increasingly aware that many schools in needy areas were facing a special problem. The National School Lunch Act requires that children unable to pay the full price of the lunch be served at a reduced price or free. But no lunch can be served free of cost. Where the child does not pay, his lunch must be financed out of the Federal payment, State or local sources, or the payments of other children. Far too frequently, we discovered, this wasn't enough in a school that needed to serve 30, 40, or 50 percent--or more--of its lunches free.

This matter was brought to the attention of the Congress, which authorized \$2.5 million of special commodity assistance in 1961-62 to help "schools which because of poor local economic conditions (1) have not been operating a school lunch program or (2) have been serving free or at substantially reduced prices at least 20 percent of the lunches to children." We view this first year's operation as an experiment in techniques. We are directing the use of the special commodity assistance to schools that have not been able to finance a school lunch program. For schools now in the program and serving a large percentage of free meals, we are working with States to give extra assistance out of the funds and commodities regularly made available under the annual appropriation.

Especially needy schools may now be reimbursed as much as 15 cents for each Type A meal served. The regular maximum payment is 9 cents. But this total will need to be used on a selective basis for, currently, cash assistance funds average about 4 cents for the Type A lunch.

Special Milk Program

In this program, participating schools and institutions (nonprofit summer camps, orphanages, and other child care institutions) purchase fluid milk from local suppliers and the Federal Government pays a portion of the cost. Where milk is sold to children, as in the typical public school, the Federal payment makes it possible to reduce prices to children as a means of stimulating sales. Where milk is customarily given rather than sold to children--as in an

orphanage--the institutions use the Federal payments to make more milk available at mealtime or to serve milk at other times during the day.

About 2 percent of the annual nonfarm consumption of fluid milk is now accomplished under this program. (This is in addition to a similar quantity used under the National School Lunch Program.) We estimate the program is available to at least three out of every four children in school.

For the first time this year, needy schools which have not had a milk or lunch service are eligible to receive special assistance. Such schools can receive up to the cost of the milk served free to needy children. The regular maximum amount of assistance is 3 cents per half pint for schools that do not serve Type A lunches.

Direct Distribution Program

For more than 25 years the USDA has had authority to donate food acquired under price support and other market stabilization programs to underconsuming groups in this country. Distribution of these donated foods is accomplished outside of normal trade channels. The Federal Government delivers the food to States. State and local governments arrange for subsequent handling and storage and the delivery of the foods to the final recipient.

Currently nearly 24 million people in this country are receiving federally donated foods. This includes 16 million school children (these foods may also go to nonprofit school lunch programs which do not receive Federal cash assistance), about 1.2 million people in charitable institutions, and over 6 million members of needy families.

The responsibility for determining which families get donated foods is placed in the hands of State and local welfare agencies. In this way it is possible to take local needs and conditions into account. We do require, however, that the standards States use to determine which families should get this food bear a relationship to the standards they use in their own public assistance program. This does not mean that only public assistance families are eligible. We want these foods to be made available to "marginal" families--those, for example, who suffer temporary setbacks when factories close down or when work is not available to farm laborers hired by the day.

The first Executive Order of President Kennedy called for an increase in the volume and variety of donated foods available to needy families. This was accomplished by increasing the number of items coming from the inventories of the Commodity Credit Corporation, and by making market purchases of certain foods which were in need of marketing assistance. In December 1960, a total of 3.7 million people in needy family units were receiving donated foods. The retail value of these donations came to about \$3 per person per month. Currently, over 6 million people are receiving them and the retail value is about \$6 per person per month.

Along with the increase in food donations, we have stepped up our efforts to help recipients make the best possible use of these foods. Representatives of the Extension Service are making a valuable contribution by distributing recipes and menus, holding demonstrations, obtaining newspaper publicity, and participating in television programs.

Pilot Food Stamp Projects

We are now testing out a different method of increasing food consumption among needy families. The program utilizes normal channels of trade and is a variation of the Food Stamp Plan which was operated between 1939 and 1943.

Pilot projects are being operated in eight sections of the country, to test the program under a wide variety of conditions. The areas include the large metropolitan City of Detroit, Franklin County in the coal mining area of southern Illinois, the Virginia-Hibbing-Nashwauk area in the Mesabi iron range in Minnesota, Floyd County in Kentucky, McDowell County in West Virginia, Fayette County in Pennsylvania, San Miguel County in New Mexico, and Silver Bow County in Montana. All of these areas have experienced substantial unemployment in recent years.

Under the pilot program, low-income families exchange the amount of money they would normally be expected to spend for food for stamp coupons of a higher monetary value. For example, a family of four which normally could be expected to spend about \$60 a month for food can exchange that amount of money for perhaps as much as \$90 worth of coupons. The extra \$30 represents the Federal Government's contribution. The family can use the coupons to purchase food at prevailing retail prices at any regular retail store which has been approved to accept the coupons. Only a few food items cannot be purchased with coupons--coffee, tea, cocoa, bananas, and packaged imported items.

In September, approximately 144,000 people purchased food coupons. They spent \$1.9 million for coupons and received \$1.1 million in bonus coupons. We have been very encouraged by our experience with these pilot projects. Preliminary results from special evaluation studies show that retail food store sales increased 8 percent in a sample of stores in the eight pilot areas. Participating families in two areas where household food studies were made had made significant increases in food purchases and in total value of food used and their diets had been improved.

In his Budget Message to Congress, the President recommended a modest expansion of the food stamp program in the 1963 fiscal year.

NATIONAL SURVEY OF CONSUMERS' EXPENDITURES

The U.S. Department of Agriculture and the Bureau of Labor Statistics are cooperating in a nationwide survey that will provide data on patterns of families' incomes and expenditures for the U.S. population as a whole for the first time since 1941-42. They began late in January 1962 to collect these data, which will relate to calendar year 1961. No national data on rural non-farm families' expenditures and incomes have been collected since 1941-42. The BLS conducted a nationwide survey of urban families' incomes and expenditures relating to 1950. The USDA conducted a nationwide survey of farm-operator families' incomes and expenditures relating to 1955.

Uses of income and expenditure data.--Data on families' incomes and expenditures are needed to keep up to date the national economic accounts so that these series will provide prompt and accurate information on the functioning of our economy--information that is needed for wise policy decisions. They are also needed by both economists and home economists for the study of patterns of living of urban, rural nonfarm, and rural farm families. Reports on the average amounts spent by families for the major categories of consumer goods provide basic data for developing materials needed by persons counseling with families on spending plans, as well as for more general estimates of living costs.

The sample.--The USDA sample is a national sample of rural farm and rural nonfarm families. The rural nonfarm portion of the sample includes families located in communities of less than 2,500 inhabitants, as well as in open-country areas. The rural farm portion includes families residing on farms, regardless of whether the family operates a farm. The rural sample is located in 126 counties; these counties are located in 41 States. The rural sample is expected to yield about 5,000 families, approximately evenly divided between rural farm and rural nonfarm.

The BLS planned its urban survey in two parts, one part covering calendar year 1960 and the other calendar year 1961. Urban data for the latter year only, combined with the 1961 rural farm and rural nonfarm data, will be used in deriving averages for the total U.S. population. The BLS sample for each year is an independent national sample of urban families--that is, families residing in places with 2,500 or more inhabitants. (See Family Economics Review, March 1961, page 13, for the list of cities included in each of the BLS samples.)

Tabulation of data.--The primary tabulations will be by place of residence of the family; that is, separate averages will be provided for the urban, rural nonfarm, and rural farm populations. In addition, it is expected that the USDA will tabulate data on all farm-operator families--including those residing in urban and rural nonfarm areas, as well as those on farms--in order to provide data comparable to those obtained on its 1955 farm-operator family survey.

--Laura Mae Webb

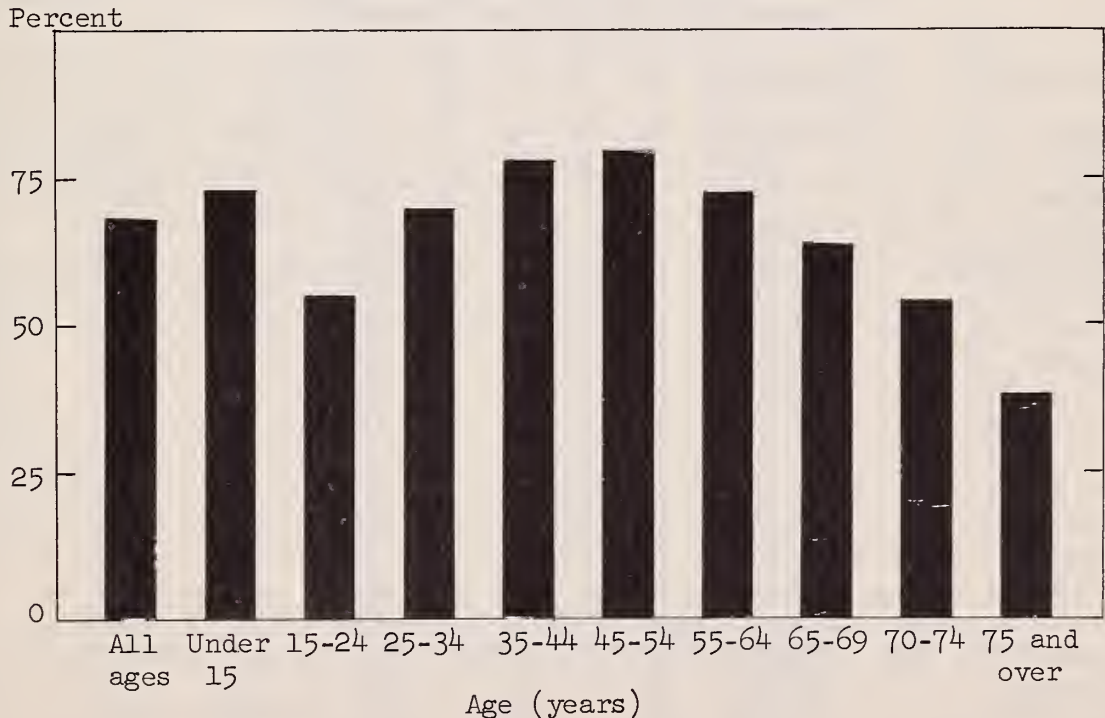
HOSPITAL BILLS PAID BY INSURANCE

The data pictured in the chart below were obtained in interviews in a National Health Survey made between July 1958 and June 1960. They refer to discharges from hospitals in the 6 months prior to the interview.

In 68 out of every 100 discharges from hospitals during this period some portion of the hospital bill was paid by insurance. Except for 15-to-24-year-olds, relatively more discharges with insurance-paid bills were reported for persons in age groups under 65 than for those 65 and over. The low proportion (55 percent) in the 15-to-24 age group with any part of the hospital bill paid by insurance may indicate that when boys and girls reach 18, the age when many family-type policies cease to protect them, they do not become insured again for a while. Also, many women in this age group enter the hospital for child deliveries, which are not covered by some insurance, or are covered only after the policy has been in effect a certain minimum length of time.

In 51 percent of the hospital discharges, insurance paid three-fourths or more of the bill.

DISCHARGES FROM HOSPITALS, FOR WHICH PART OF THE HOSPITAL BILL WAS PAID BY INSURANCE



Source: U.S. Department of Health, Education, and Welfare, Public Health Service. Health Statistics from U.S. National Health Survey, Series B-No. 30.

TELEPHONES, HOME FREEZERS, AND AUTOMOBILES ON FARMS

Connecticut outranked all other States in 1959 in the proportion of farms with telephones. Montana farms were at the top with home freezers, and Iowa farms with automobiles. The rank of the other States with respect to these facilities and the proportion of farms reporting them in each State are shown in the table below. The figures are based on information from a sample of all farms counted in the 1959 Census of Agriculture.

Sizable gains were made between the last previous census (1954) and 1959 in the percentage of U.S. farms with these facilities, especially home freezers and telephones. Farms with home freezers increased from 32 percent of the total to 56 percent; with telephones from 49 to 65 percent; and with automobiles from 71 to 80 percent.

Telephones, home freezers, and automobiles on farms in 1959, by State

State	Total farms	Farms with--			Rank in percent of farms with-- <u>1/</u>		
		Tele-phones	Home freezers	Auto-mobiles	Tele-phones	Home freezers	Auto-mobiles
	Number	Percent	Percent	Percent			
United States	3,708,573	65	56	80	--	--	--
Alabama <u>2/</u>	115,610	34	42	58	48	47	48
Alaska	367	53	67	69	38	7	41
Arizona	7,173	70	63	82	30	20	31
Arkansas	94,980	32	42	55	49	45	49
California <u>2/</u> ..	99,260	88	60	88	7	27	19
Colorado	33,183	78	66	89	25	9	14
Connecticut	8,259	97	62	87	1	23	21
Delaware	5,203	88	64	89	8	14	15
Florida <u>2/</u>	45,098	61	49	73	36	38	36
Georgia <u>2/</u>	106,347	45	53	71	44	32	39
Hawaii	6,242	70	37	72	29	49	37
Idaho	33,648	82	67	90	19	8	10
Illinois	154,652	83	70	92	16	2	7
Indiana	128,143	83	70	89	15	3	16
Iowa	174,685	92	66	95	6	11	1
Kansas	104,134	84	52	91	13	35	9
Kentucky	150,972	45	37	68	43	50	43
Louisiana <u>2/</u> ...	74,438	52	63	65	39	21	45
Maine	17,342	82	53	83	18	33	29
Maryland	25,108	80	62	86	23	24	27

See footnotes at end of table.

Telephones, home freezers, and automobiles on farms in 1959, by State--con.

State	Total farms	Farms with--			Rank in percent of farms with-- <u>1/</u>		
		Tele-phones	Home freezers	Auto-mobiles	Tele-phones	Home freezers	Auto-mobiles
	Number	Percent	Percent	Percent			
Massachusetts ..	11,149	94	52	84	2	36	28
Michigan	111,765	80	64	92	22	17	8
Minnesota	145,639	78	64	93	26	18	6
Mississippi <u>2/</u> ..	138,142	27	43	53	50	43	50
Missouri	168,679	66	50	79	33	37	33
Montana	28,802	66	74	90	31	1	12
Nebraska	90,223	80	63	94	21	19	2
Nevada	2,316	73	65	81	27	13	32
New Hampshire ..	6,544	85	58	82	11	29	30
New Jersey	15,463	94	57	87	4	30	23
New Mexico	15,869	43	55	68	45	31	42
New York	82,354	94	65	89	3	12	17
North Carolina ..	190,511	35	48	70	46	39	40
North Dakota ...	54,791	66	68	94	34	5	3
Ohio	140,366	81	64	89	20	16	13
Oklahoma	94,678	61	43	76	35	40	35
Oregon	42,551	84	64	88	12	15	20
Pennsylvania ...	100,049	82	68	86	17	6	25
Rhode Island ...	1,400	93	45	87	5	42	22
South Carolina ..	78,163	35	46	71	47	41	38
South Dakota ...	55,496	72	63	93	28	22	5
Tennessee	157,695	51	42	64	40	46	46
Texas <u>2/</u>	227,054	56	52	79	37	34	34
Utah	17,811	87	59	88	9	28	18
Vermont	12,167	84	60	86	14	26	26
Virginia	97,619	50	42	67	41	44	44
Washington	51,554	86	61	90	10	25	11
West Virginia ..	43,982	50	38	62	42	48	47
Wisconsin	131,192	79	66	93	24	10	4
Wyoming	9,705	66	69	87	32	4	24

1/ Prepared by the Farm Population Branch, ESA Division, ERS, USDA.

2/ Based on preliminary data.

Source: U.S. Bureau of the Census. Final data from Census of Agriculture: 1959. Vol. I, Table 4. Preliminary data from 1959 Census of Agriculture--Preliminary. Series AC 59-1.

RURAL AREAS BENEFIT FROM COMMUNITY FACILITIES PROGRAMS 1/

The Community Facilities Administration, a constituent of the Housing and Home Finance Agency, is responsible for four programs which can help in providing facilities to rural areas. These are (1) Advances for Public Works Planning; (2) Public Facility Loans; (3) College Housing Loans; and (4) Loans for Senior Citizens' Housing.

The experts tell us that we have been experiencing an explosion of our population out into the countryside. The suburbs have grown so fast that a great many problems have been created, for both new and old residents. When people fled to the suburbs they hoped to escape the tax burdens and congestion of the old central city, but were doomed to disappointment. The new suburbs suddenly needed a lot of public facilities, and had to build them in a great hurry and at prices higher than those which built the city facilities. Local governments and other public bodies have had to find the money to pay for these facilities and services. The Community Facilities Administration has two programs that help finance the public facilities such communities need.

One of these programs is Advances for Public Works Planning. Frequently a community would be able to borrow money for a public work if it had the plans, but cannot get the planning money until it has plans to show to prospective investors or to the voters who must approve the bond issue. Advances made by the CFA make it possible for a local government to draw up plans for a needed facility. These advances are interest free, and are repaid when construction begins.

Since 1946, the Community Facilities Administration has made more than 11,000 planning advances totaling over \$154 million. These have resulted in the construction of public works that cost \$2-3/4 billion, borrowed almost entirely from private investors. About half of these advances were made to communities of less than 5,000 population. It is a fair assumption that few of the needed facilities would have been built, or built so promptly, without the advances, since advances are made only when planning money is available nowhere else.

Generally, a community is able to borrow money for needed public works from private investors. However, smaller communities far away from the financial centers sometimes have trouble borrowing at a reasonable rate of interest. In such cases they may be able to borrow from CFA.

About 90 percent of applications received for Public Facility Loans have come from communities with populations of less than 5,000. Over 90 percent of the applicants were seeking assistance in the construction of water and sewer

1/ Condensed from a talk given by Henry S. Brooks, Housing and Home Finance Agency, at the Agricultural Outlook Conference, Washington, D. C., November 1961, with some figures brought up to date.

facilities. The typical applicant has been a town of about 1,000, which needed about \$200,000 to finance a project, and which had never before issued bonds or planned, built, and operated a public facility. Since 1954, CFA has approved about \$118 million worth of public facility loans.

Public Facility Loans are available to communities under 50,000 population; in depressed areas, communities under 150,000 are eligible. For loans approved during this fiscal year, public facility loan interest rates are 3-5/8 percent, but drop to 3-3/8 percent in depressed areas. The loans are made only if private financing is not available on reasonable terms. CFA requires that bonds be advertised for sale before it will buy them.

CFA is also cooperating in the efforts of the Area Redevelopment Administration to provide facilities to give permanent economic improvement to redevelopment areas.

The College Housing Program was established by Congress in 1950 to help meet the tremendous influx of students into colleges and universities. It lends money to accredited institutions to build dormitories, dining halls, college unions, married student apartments, and faculty housing. The loans are available also to hospitals that conduct accredited nurses' training schools. Many college housing loans have been made to Land-Grant Colleges and colleges in small towns. The program has approved loans of more than \$1.5 billion to more than 800 institutions.

Congress voted, in the new housing act (1961), to lend up to \$300 million through the College Housing Program during each of the next 4 years. This will allow the colleges and universities to plan their new residential buildings in an orderly way.

To enable elderly persons to live as independently as possible, and yet to meet their special needs, housing projects of many kinds have been developed. Loans for Senior Citizens' Housing is a direct loan program that assists nonprofit organizations, both public and private, in building rental or cooperative housing for the elderly.

These projects are limited to persons of 62 or older. Their design takes into account the special needs of the elderly. CFA has received applications for several different kinds of projects, each designed to meet the objectives of a particular group. These include apartment buildings and various forms of congregate living in which the residents may eat together in a common dining hall but also have as much privacy as possible in their living quarters.

The Community Facilities Administration would be pleased to answer questions and give further information about its various programs at the Regional Offices of the Housing and Home Finance Agency, or the Washington office, which may be addressed as follows: Community Facilities Administration, Washington 25, D. C.

PUBLIC HEALTH SERVICE GRANTS FOR COMMUNITY
HEALTH SERVICES AND FACILITIES

The Community Health Services and Facilities Act of 1961 gives the Public Health Service the authority to make project grants to nonprofit organizations for studies, experiments, and demonstrations to develop new or improved methods of providing community health services outside hospitals, particularly for chronically ill or aged persons. These services might include care in a nursing home, nursing care at home, homemaker services, information and referral services, nutritional and social services for the sick at home, and services for the prevention, detection, or treatment of disease or disability. Project grants could be made to such State or local public or private non-profit agencies as health departments, welfare agencies, hospitals, educational institutions, and voluntary health associations. Those receiving grants are not required to put up matching funds, but generally would be expected to pay part of the cost of the project. Any agency interested in receiving a grant for a specific study or demonstration may apply to one of the nine regional Public Health Service offices, or to the Grants Management Branch, Public Health Service, U.S. Department of Health, Education, and Welfare, Washington 25, D. C.

The new law also increases (from \$30 million to \$50 million) the authorization for funds which the Public Health Service grants directly to States (on a 2-to-1 matching basis) to help them establish and maintain adequate public health services. It authorizes the earmarking of part of these funds for particular activities. The additional funds which would be made available to the States could be used in programs for improving the scope, quality, and availability of community health services.

ESTIMATED COST OF 1 WEEK'S FOOD--U.S.A. AVERAGE AND FOUR REGIONS

This issue of Family Economics Review presents January 1962 estimates of the retail cost of food for the USDA food plans for the U.S.A. and for four regions--the Northeast, the North Central, the South, and the West. (See tables 1 to 3, pages 19 to 21.) Also, table 4 on page 22 presents January 1962 costs of the Southern adaptation of the low-cost plan. An explanation of the development of the food plans and the cost estimates for the U.S.A. was given in the October 1957 issue of Family Economics Review. Information about the estimates for the four regions and the adaptation of the low-cost food plan for the South appeared in the September 1959 issue of Family Economics Review.

Estimates of the cost of food for the plans for the U.S.A. will continue to appear quarterly in this publication. Regional estimates will appear in the March issues.

Table 1.--Estimated Cost of 1 Week's Food, 1/ January 1962--U.S.A. Average

Sex-age groups	Low-cost plan	Moderate-cost plan	Liberal plan
	Dollars	Dollars	Dollars
<u>FAMILIES</u>			
Family of two, 20-34 years 2/	13.80	18.80	21.30
Family of two, 55-74 years 2/	12.40	17.00	19.00
Family of four, preschool children 3/	20.60	27.50	31.50
Family of four, school children 4/	23.80	32.10	36.60
<u>INDIVIDUALS 5/</u>			
Children, under 1 year	3.10	3.90	4.20
1-3 years	3.70	4.70	5.30
4-6 years	4.40	5.70	6.80
7-9 years	5.20	6.80	7.80
10-12 years	6.10	8.20	9.40
Girls, 13-15 years	6.40	8.70	10.00
16-19 years	6.50	8.70	9.90
Boys, 13-15 years	7.00	9.60	10.90
16-19 years	8.20	11.20	12.60
Women, 20-34 years	5.40	7.50	8.50
35-54 years	5.30	7.30	8.30
55-74 years	5.00	6.90	7.80
75 years and over	4.80	6.40	7.30
Pregnant	6.80	8.80	9.80
Nursing	8.50	10.90	12.10
Men, 20-34 years	7.10	9.60	10.90
35-54 years	6.60	9.00	10.10
55-74 years	6.30	8.60	9.50
75 years and over	6.10	8.20	9.10

1/ These estimates were computed from quantities in food plans published in the October 1957 issue of Family Economics Review. Quantities for children were revised January 1959 to comply with the 1958 NRC Recommended Dietary Allowances. The cost of the food plans was first estimated by using the average price per pound of each food group paid by nonfarm survey families at three selected income levels in 1955. These prices were adjusted to current levels by use of Average Retail Prices of Food in 46 Large Cities Combined released periodically by the Bureau of Labor Statistics.

2/ Ten percent added for family size adjustment. For derivation of factor for adjustment, see September 1960 issue of Family Economics Review.

3/ Man and woman 20-34 years; children, 1-3 and 4-6 years.

4/ Man and woman 20-34 years; children, 7-9 and 10-12 years.

5/ The costs given are for individuals in 4-person families. For individuals in other size families, the following adjustments are suggested: 1-person--add 20 percent; 2-person--add 10 percent; 3-person--add 5 percent; 5-person--subtract 5 percent; 6-or-more-person--subtract 10 percent.

Table 2.--Estimated Cost of 1 Week's Food, 1/ January 1962, for Northeast and North Central Regions

Sex-age groups	Northeast			North Central		
	Low-cost plan	Moderate- cost plan	Liberal plan	Low-cost plan	Moderate- cost plan	Liberal plan
	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
<u>FAMILIES</u>						
Family of two, 20-34 years <u>2/</u>	15.80	20.70	22.50	14.60	18.30	20.80
Family of two, 55-74 years <u>2/</u>	14.20	18.60	20.20	13.20	16.40	18.60
Family of four, preschool children <u>3/</u> ..	23.40	29.80	33.00	21.80	26.60	30.70
Family of four, school children <u>4/</u>	27.00	34.90	38.40	25.20	31.10	35.60
<u>INDIVIDUALS 5/</u>						
Children, under 1 year	3.30	4.10	4.30	3.20	3.70	4.10
1-3 years	4.10	4.90	5.50	3.90	4.50	5.20
4-6 years	4.90	6.10	7.00	4.60	5.50	6.60
7-9 years	5.80	7.30	8.10	5.50	6.60	7.60
10-12 years	6.80	8.80	9.80	6.40	7.90	9.10
Girls, 13-15 years	7.20	9.40	10.40	6.80	8.40	9.70
16-19 years	7.20	9.30	10.30	6.90	8.40	9.60
Boys, 13-15 years	7.90	10.40	11.50	7.40	9.30	10.60
16-19 years	9.40	12.10	13.30	8.80	10.90	12.40
Women, 20-34 years	6.20	8.20	9.00	5.70	7.30	8.30
35-54 years	6.00	8.00	8.80	5.60	7.00	8.10
55-74 years	5.70	7.50	8.30	5.30	6.60	7.60
75 years and over	5.50	7.00	7.70	5.10	6.20	7.10
Pregnant	7.60	9.50	10.30	7.20	8.60	9.60
Nursing	9.50	11.70	12.70	9.00	10.60	11.90
Men, 20-34 years	8.20	10.60	11.50	7.60	9.30	10.60
35-54 years	7.60	9.90	10.70	7.10	8.70	9.80
55-74 years	7.20	9.40	10.10	6.70	8.30	9.30
75 years and over	7.00	9.00	9.70	6.40	7.90	8.90

1/-5/ See footnotes of table 1 on page 19.

Table 3.--Estimated Cost of 1 Week's Food, 1/ January 1962, for Southern and Western Regions

Sex-age groups	South			West		
	Low-cost plan	Moderate-cost plan	Liberal plan	Low-cost plan	Moderate-cost plan	Liberal plan
	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
FAMILIES						
Family of two, 20-34 years <u>2/</u>	11.80	16.20	18.90	15.50	19.80	22.70
Family of two, 55-74 years <u>2/</u>	10.70	14.70	17.00	14.00	17.80	20.20
Family of four, preschool children <u>3/</u> .	17.80	23.80	28.00	23.10	28.90	33.50
Family of four, school children <u>4/</u>	20.50	27.60	32.30	26.70	33.80	38.90
INDIVIDUALS <u>5/</u>						
Children, under 1 year	2.70	3.40	3.80	3.40	4.00	4.50
1-3 years	3.30	4.10	4.80	4.10	4.90	5.70
4-6 years	3.80	5.00	6.00	4.90	6.00	7.20
7-9 years	4.50	5.90	6.90	5.80	7.20	8.30
10-12 years	5.30	7.00	8.20	6.80	8.60	10.00
Girls, 13-15 years	5.50	7.50	8.80	7.20	9.10	10.60
16-19 years	5.60	7.50	8.80	7.30	9.10	10.50
Boys, 13-15 years	6.00	8.20	9.50	7.80	10.10	11.60
16-19 years	7.00	9.50	11.00	9.30	11.70	13.40
Women, 20-34 years	4.70	6.50	7.60	6.10	7.90	9.00
35-54 years	4.50	6.40	7.50	6.00	7.70	8.80
55-74 years	4.30	6.00	7.10	5.60	7.20	8.30
75 years and over	4.20	5.60	6.60	5.40	6.70	7.80
Pregnant	5.90	7.70	8.80	7.60	9.30	10.50
Nursing	7.40	9.50	10.80	9.60	11.50	13.00
Men, 20-34 years	6.00	8.20	9.60	8.00	10.10	11.60
35-54 years	5.70	7.70	8.90	7.50	9.50	10.70
55-74 years	5.40	7.40	8.40	7.10	9.00	10.10
75 years and over	5.20	7.10	8.10	6.90	8.60	9.70

1/-5/ See footnotes of table 1 on page 19.

Table 4.--Estimated Cost of 1 Week's Food, for Special Adaptation of Low-Cost Plan for the South, January 1962

Sex-age groups	Special low-cost plan 1/	Sex-age groups	Special low-cost plan 1/
	Dollars		Dollars
<u>FAMILIES</u>		<u>INDIVIDUALS--Con.</u>	
Family of two, 20-34 years 2/	11.20	16-19 years	5.50
Family of two, 55-74 years 2/	9.90	Boys, 13-15 years	5.60
Family of four, preschool children 3/	17.00	16-19 years	6.70
Family of four, school children 4/ ..	19.60	Women, 20-34 years ...	4.50
		35-54 years	4.40
<u>INDIVIDUALS 5/</u>		55-74 years	4.00
Children, under 1 year	2.60	75 years and over ..	3.90
1-3 years	3.10	Pregnant	5.80
4-6 years	3.70	Nursing	7.30
7-9 years	4.30	Men, 20-34 years	5.70
10-12 years	5.10	35-54 years	5.30
Girls, 13-15 years	5.40	55-74 years	5.00
		75 years and over ..	4.90

1/ Based on quantities suggested in table 2 on page 16, Family Economics Review, September 1959.

2/-5/ See footnotes of table 1 on page 19.

Unit prices of food groups

The costs of food for the food plans are estimated by applying unit (qt., lb., doz.) prices for the food groups to the quantities suggested in the food plans for individuals. The unit price for each food group assumes an assortment of food within the groups similar to that used in 1955 by nonfarm families at selected income levels. Of course, these unit prices will be quite different if families make selections that deviate greatly from those assumed. Unit prices can be used for making rough estimates of the costs of food when food group quantities are different from those for the food plans. For example, unit group prices are useful for estimating the money value of food consumption in a local community and for estimating the value of home-produced food.

The unit prices used with the food plans are kept current by adjusting them according to food prices collected periodically by the Bureau of Labor Statistics.

Table 5 gives the January 1962 unit prices of food groups that were used for estimating the cost of food for the U.S.A. for the low-cost, moderate-cost, and liberal food plans.

Table 5.--Unit prices of food groups for USDA food plans at three levels, January 1962 ^{1/}

Food group and unit	Low-cost plan	Moderate- cost plan	Liberal plan
	<u>Cents</u>	<u>Cents</u>	<u>Cents</u>
Milk, cheese, ice creamquart equiv	27.0	28.5	30.0
Meat, poultry, fish (including bacon, salt pork)pound.....	56.5	63.9	68.1
Eggsdozen.....	52.3	54.4	56.1
Dry beans, peas, nutspound.....	29.6	42.5	48.9
Grain productspound flour equiv...	27.2	37.1	41.2
Potatoespound	5.6	6.7	6.8
Citrus fruit, tomatoesdo.....	16.2	18.0	18.4
Other fruits and vegetables (includes dark-green and deep-yellow vegetables)do.....	16.5	18.0	18.2
Fats and oilsdo.....	34.0	38.4	41.1
Sugar, sweetsdo.....	21.2	24.9	27.8

^{1/} An estimated amount is also added to the total for accessories such as coffee, tea, vinegar, and spices. Prices for the low-cost plan were based upon practices of households reporting in the 1955 Food Consumption Surveys with incomes of \$2,000-\$2,999; moderate-cost, \$4,000-\$4,999; liberal, \$6,000-\$7,999.

NEW REFERENCE BASE PERIOD FOR INDEXES OF CONSUMER PRICES

Beginning with this issue of the Family Economics Review, the Index of Prices Paid by Farmers for Commodities Used in Family Living and the Consumer Price Index for City Wage-Earner and Clerical-Worker Families will appear on the 1957-59 = 100 base. (See opposite page.) In recent years these have appeared on the 1947-49 = 100 base.

The new reference base period 1957-59 was established for many Federal Government Indexes, including the Consumer Price Index, by the Bureau of the Budget, after consultation with staffs of Federal statistical agencies and nongovernmental statisticians. A uniform base for the various general-purpose indexes published by Federal agencies is important to the users of these statistics. The base has been revised approximately every 10 years. The two preceding bases were 1935-39 and 1947-49.

The indexes calculated on the new base will be considerably lower than those calculated on the old base. But the percentage of change in an index from one month or year to another will be the same, whether it is on the 1947-49 = 100 or the 1957-59 = 100 base. For example, the January 1962 Consumer Price Index for all items is approximately 8 percent higher than the January 1957 index on either base. The indexes for the 2 months are as follows:

Base period:	<u>January 1957 index</u>	<u>January 1962 index</u>
1947-49 = 100 ..	118	128
1957-59 = 100 ..	96	104

The Bureau of the Budget has recommended that the conversion of each index to the new reference base be carried back to the beginning of the index, if possible. Requests for revised indexes for earlier periods should be directed to the agency producing the index.

The official Index of Prices Paid by Farmers for Commodities Used in Family Living (also the Index of Prices Received by Farmers) will continue to be published by the Statistical Reporting Service of the USDA on the 1910-14 base, as required by law. Family Economics Review publishes this index on the same base as the CPI for the convenience of its readers.

CONSUMER PRICES

Table 1.--Index of Prices Paid by Farmers for Commodities Used in Family Living
(1957-59 = 100)

February 1961; June 1961-February 1962

Item	Feb. 1961	June 1961	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan. 1962	Feb.
All commodities	102	101	101	101	102	102	102	102	102	103
Food and tobacco	--	102	--	--	102	--	--	102	--	--
Clothing	--	105	--	--	107	--	--	107	--	--
Household operation	--	102	--	--	103	--	--	104	--	--
Household furnishings	--	97	--	--	98	--	--	97	--	--
Building materials, house.	--	101	--	--	101	--	--	101	--	--
Auto and auto supplies ...	--	99	--	--	98	--	--	101	--	--

Source: U.S. Department of Agriculture, Agricultural Marketing Service.

Table 2.--Consumer Price Index for City Wage-Earner and Clerical-Worker Families
(1957-59 = 100)

January 1961; May 1961-January 1962

Item	Jan. 1961	May 1961	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan. 1962
All items	104	104	104	104	104	105	105	105	104	104
Food	103	102	102	103	103	103	102	102	102	102
Apparel	102	102	102	102	102	104	104	104	104	102
Housing	104	104	104	104	104	104	104	104	104	104
Rent	104	104	104	104	104	105	105	105	105	105
Gas and electricity	108	108	108	108	108	108	108	108	108	108
Solid fuels and fuel oil	102	100	100	100	100	101	102	102	103	104
Housefurnishings	100	99	100	100	99	100	100	99	99	99
Household operation	106	106	106	106	106	106	106	106	106	106
Transportation	104	104	105	105	106	106	107	107	106	106
Medical care	110	111	111	112	112	112	112	112	112	113
Personal care	104	104	104	105	105	105	105	105	105	106
Reading and recreation ...	106	107	107	107	107	108	108	108	108	108
Other goods and services .	104	104	104	105	105	105	105	105	105	105

Source: U.S. Department of Labor, Bureau of Labor Statistics.

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